

3993 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89169-5996
Facsimile (702) 949-8321
Telephone (702) 949-8320

Robert M. Charles, Jr. NV State Bar No. 006593
Email: rcharles@lrlaw.com
John Hinderaker AZ State Bar No. 018024
Email: jhinderaker@lrlaw.com

Attorneys for USACM Liquidating Trust

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

Debtor.

Case No. BK-S-06-10725-LBR

Chapter 11

**DECLARATION OF EDWARD M.
BURR IN SUPPORT OF OMNIBUS
OBJECTIONS TO PROOFS OF
CLAIM BASED UPON
INVESTMENT IN UNIVERSAL
HAWAII LOAN, EXCEPT FOR
AMOUNTS DESIGNATED AS
“UNREMITTED PRINCIPAL”**

Date of Hearing: September 30, 2011

Time of Hearing: 9:30 a.m.

Estimated time for Hearing: 10 minutes

I, Edward M. Burr, hereby declare under penalty of perjury that:

1. I am a principal with Sierra Consulting Group, LLC (“Sierra”). Sierra is one of the leading providers of restructuring advisory and litigation support services in the Southwest. Sierra is a leading national consulting firm comprised of experienced CPAs and other financial professionals.

2. I submit this declaration on behalf of the USACM Liquidating Trust’s Objections to Proofs of Claim filed this date.

3. This Court approved the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company’s (“Committee”) appointment of Sierra as financial advisers on August 11, 2006. From that date to the Effective Date of the Debtors’ confirmed Plan of Reorganization, I have assisted the Committee in analyzing facts concerning these jointly administered bankruptcy cases. As of the Effective Date of the

1 confirmed Plan of Reorganization, Sierra has been retained by the USACM Liquidating
2 Trust to investigate and reconcile the claims against the USA Commercial Mortgage
3 Company ("USACM") estate.

4 4. I make the following declaration based upon my personal knowledge, and
5 upon the records of the Debtors described in this declaration, including Debtors' original
6 and amended schedules of liabilities and the proofs of claim described herein, as well as
7 Debtors' accounting records.

8 5. On March 12, 2007 Effective Date of the Plan, the USACM Liquidating
9 Trust succeeded to USACM's rights with respect to books and records.

10 6. Sierra has been working closely with both the Trustee for the USACM
11 Liquidating Trust and Development Specialist Inc. ("DSI"), the Trustee's financial
12 advisor, in evaluating all of the claims that were filed in the USACM estate.

13 7. On April 13, 2006 ("Petition Date"), USA Commercial Mortgage
14 Company ("USACM"), filed a voluntary petition for relief under chapter 11 of the
15 Bankruptcy Case. Debtor continued to operate its business as debtor-in-possession
16 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Debtor's Post-petition
17 management was under the direction of Thomas J. Allison of Mesirow Financial Interim
18 Management, LLC ("Mesirow"), who served as the Chief Restructuring Officer.

19 8. USACM was a Nevada corporation that, prior to the Petition Date, was in
20 the business of underwriting, originating, brokering, funding and servicing commercial
21 loans, primarily secured by real estate, both on behalf of its investors to purchase
22 fractional interest in loans that USACM' originated and then serviced. These investors are
23 referred to as "Direct Lenders" in USACM's bankruptcy case and in this Objection

24 9. On January 8, 2007, the Court entered its Order Confirming the "Debtors'
25 Third Amended Joint Chapter 11 Plan of Reorganization" as Modified Herein [Docket No.
26 2376]. Under the Plan, the USACM Trust is the successor to USACM with respect to

1 standing to seek allowance and disallowance of Claims. The USACM Trust exists as of
2 the Effective Date of the Plan, March 12, 2007. Geoffrey L. Berman is the Trustee.

3 10. A "USA Capital Loan Summary as of February 28, 2007" prepared by
4 Mesirow indicates that the Universal Hawaii loan was repaid. (**Exhibit B**, attached.)

5 11. There is about \$5 million scheduled in unremitted principal associated with
6 the Universal Hawaii Loan. Scheduled claims for the unremitted principal associated with
7 the Universal Hawaii Loan were deemed allowed unless the Trust could match the
8 scheduled claim up to a proof of claim, in which case the proof of claim was deemed
9 allowed. .

10 12. Attached as **Exhibit A** is a list of the Universal Hawaii Claims arising out of
11 filed proofs of claim by claimant, claim number total, claim amount, unremitted principal
12 amount and amount of the claim subject to objection by the USACM Trust.

13
14 Dated: August 3, 2011

15 /s/ Edward M. Burr

16 Edward M. Burr
Sierra Consulting Group, LLC

17 Copy of the foregoing mailed (without exhibit)
18 by first class Postage prepaid U.S. Mail on
19 August 3, 2011 to the investors in the
loan listed on Exhibit A.

20 /s/ Matt Burns

21 Matt Burns
Lewis and Roca LLP